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PART III.

Taxation and Finance.

CHAPTER V.

TAXATION.

Enumeration of Taxes.

98. The corporation may levy :— Enumeration of taxes and duties.

(*a*) a property tax,

(*b*) a profession tax,

(*c*) a tax on carriages and animals,

(*d*) a tax on carts,

(*e*) a tax on timber brought into the city,

and may, with the previous sanction of the Government levy—

(*f*) a tax on advertisements,

(*g*) a duty on certain transfers of property in the shape of an additional stamp duty.

99. (1) Before the corporation passes any resolution imposing a tax or duty for the first time it shall direct the commissioner to publish a notice in the Official Gazette and in the local newspapers of its intention and fix a reasonable period not being less than one month from the date of publication of such notice in the Official Gazette for submission of objections. The corporation may, after considering the objections, if any, received within the period specified, determine by resolution to levy the tax or duty. Such resolution shall specify the rate at which, the date from which and the period of levy, if any, for which such tax or duty shall be levied. Powers of control of Government.

(2) When the corporation shall have determined to levy any tax or duty for the first time or at a new rate, the commissioner shall forthwith publish a notice in the manner laid down in sub-section (1) specifying the date from which, the rate at which and the period of levy, if any, for which such tax or duty shall be levied.

(3) Any resolution abolishing an existing tax or duty or reducing the rate at which any tax or duty is levied shall not be carried into effect without the sanction of the Government, but such sanction shall not be necessary for a resolution reducing the rate at which property tax is levied provided that such reduction does not contravene the proviso to sub-section (2) of section 100.

(4) Where any resolution under this section has taken effect for a particular year, no proposal to alter the rates or the

date fixed in such resolution so far as that year is concerned shall be taken into consideration by the corporation without the sanction or a direction from the Government.

THE PROPERTY TAX.

Description and class of property tax.

100. (1) If the corporation by a resolution determines that a property tax shall be levied, such tax shall be levied on all buildings and lands within the city save those exempted by or under this Act or any other law. The property tax may comprise—

(*a*) a tax for general purposes;

(*b*) a water and drainage tax for the purpose of defraying the expenses connected with the water and drainage systems of the city;

(*c*) a lighting tax for the purposes of defraying the expenses connected with the lighting of the city:

Provided that where the water and drainage tax is levied the corporation shall declare what proportion of the tax is levied in respect of water-works and the remainder shall be deemed to be levied in respect of drainage works and the proportion so declared shall also be specified in the notice published under sub-section (2) of section 99.

(2) Save as otherwise provided in this Act, these taxes shall be levied at such percentages of the annual value of buildings and lands as may be fixed by the corporation:

Provided that the aggregate of the percentages so fixed shall not in the case of any land or building be less than 15½ per cent or greater than 20 per cent of its annual value.

(3) For the purpose of assessing the property tax the annual value of any building or land shall be determined by the commissioner:

Provided that the annual value of any building or land the tax for which is payable by the commissioner shall be determined by the Mayor.

Method of assessment of property tax.

101. (1) Every building shall be assessed together with its site and other adjacent premises occupied as appurtenances thereto unless the owner of the building is a different person from the owner of such site or premises.

(2) The annual value of lands and buildings shall be deemed to be the gross annual rent at which they may at the time of assessment reasonably be expected to let from month to month or from year to year, less a deduction in the case of buildings only of ten per cent of such annual rent and the said deduction shall be in lieu of all allowance for repairs or on any other account whatever:

Provided that:—

(*a*) in the case of

(i) any Government or railway building; or

(ii) any building of a class not ordinarily let, the gross annual rent of which cannot in the opinion of the commissioner be estimated.

the annual value of the premises shall be deemed to be six per cent of the total of the estimated market value of the land at the time of assessment and the estimated cost of erecting the building at such time after deducting for depreciation, a reasonable amount which shall in no case be less than ten per cent of such cost, and

(*b*) machinery and furniture shall be excluded from valuations under this section :

Provided further that where the annual value of any land or building is attributable partly to the use of such land or building or any portion thereof for the display of any advertisement or advertisements, the annual value of such land or building for the purpose of assessing the property tax thereon shall be ascertained as if, such land, building or portion is not used for the display of such advertisement or advertisements.

General exemptions.

102. The following buildings and lands shall be exempt from the property tax :—

(*a*) places set apart for public worship and either actually so used or used for no other purpose ;

(*b*) choultries for the occupation of which no rent is charged and choultries the rent charged for occupation of which is used exclusively for charitable purposes ;

(*c*) places used for the charitable purpose of sheltering the destitute or animals and orphanages, homes and schools for the deaf and dumb, asylum for the aged and fallen women and such similar institutions run purely on philanthropic lines as are approved by the corporation ;

(*d*) such ancient monuments protected under the Ancient Monuments Preservation Act, 1925, or parts thereof as are not used as residential quarters or public offices ;

(*e*) charitable hospitals and dispensaries but not including residential quarters attached thereto ;

(*f*) such hospitals and dispensaries maintained by railway administrations as may from time to time be notified by the Government, but not including residential quarters attached thereto ;

(*g*) burial and burning grounds included in the list published by the commissioner under section 366 (3) of this Act ;

(*h*) government lands set apart free for recreation purposes and all such other property of Government being neither buildings nor land from which in the opinion of the Government any income could be derived as may from time to time be notified by the Government ;

(*i*) buildings and lands belonging to His Highness the Maharaja or used or intended for the occupation of His Highness the Maharaja ;

(j) Any building or land the annual value of which is less than thirty-six rupees provided that the owner thereof is not liable to profession-tax or income-tax and provided further no other building or land is owned by him or the aggregate annual value of all the buildings and lands owned by him is less than thirty-six rupees :

Provided that nothing contained in clauses (*a*), (*c*) and (*e*) shall be deemed to exempt from property tax any building or land for which rent is payable by the person or persons using the same for the purposes referred to in the said clauses.

cial mptions alterna- bases of perty tax.

103. The rates of property tax fixed by the corporation may be proportionate to the value of each building or land or may advance in systematic progression with the value of the building or land, but shall in no case decrease as the value of the building or land increases. When a progressive rate has been adopted by the corporation it shall prescribe the principles of classification (as that a certain sum which shall be tax-free shall be deducted from the assessment of each building or land or that the progression shall be from a certain percentage in the lowest to a certain percentage in the highest class) and the precise number and limits of each class:

Provided that :—

(*a*) the corporation may, with the sanction of the Government exempt any local area from the whole or a portion of the water and drainage tax or of the lighting tax on the ground that such area is not deriving any or the full benefit from the water-supply and drainage or from the lighting system ;

(*b*) in the case of any land which is not appurtenant to any building or which is occupied by or appurtenant to huts the commissioner may assess the land or premises, as the case may be, with reference to extent in lieu of annual value and at such rates as he may himself determine subject always to the following maxima per ground of land measuring two thousand and four hundred square feet :—

(i) for the water and drainage tax—three rupees ;

(ii) for the lighting tax—one rupee ;

(iii) for the tax for general purposes—four rupees ;

perty tax rst charge property d movables.

104. The property tax on buildings and lands shall, subject to the prior payment of the land revenue, if any, due to the Government thereon, be a first charge upon the said buildings or lands and upon the movable property, if any, found within or upon such buildings or lands and belonging to the person liable to such tax.

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105. The property tax shall be levied every half-year and shall, save as otherwise expressly provided in Schedule III, be paid by the owner of the assessed premises within fifteen days after the commencement of the half-year.

acancy mission.

106. When any building whether ordinarily let or occupied by the owner himself has been vacant and unlet for thirty

or more consecutive days in any half-year, the commissioner shall remit so much, not exceeding one-half of such portion of the tax as relates to the building only as is proportionate to the number of days during which the building was vacant and unlet in the half-year.

(2) Every claim for remission under sub-section (1) shall be made during the half-year in respect of which the remission is sought or in the following half-year and not afterwards.

(3) (*a*) No claim for such remission shall be entertained unless the owner of the building or his agent has previously thereto delivered a notice to the commissioner—

(i) that the building is vacant and unlet; or

(ii) that the building will be vacant and unlet from a specified date either in the half-year in which notice is delivered or in the succeeding half-year.

(*b*) The period in respect of which the remission is made shall be calculated—

(i) if remission is sought in respect of the half-year in which notice is delivered, from the date of delivery of the notice from the date on which the building became vacant and unlet, whichever is later; and

(ii) if remission is sought in respect of the half-year succeeding that in which the notice is delivered, from the commencement of the half-year in respect of which remission is sought or from the date on which the building became vacant and unlet, whichever is later.

(*c*) Every notice under clause (*a*) shall expire with the half-year succeeding that during which it is so delivered, and shall have no effect thereafter.

Obligation of transferrer and transferee to give notice of transfer.

107. (1) Whenever the title of any person primarily liable to the payment of the property tax on any premises to or over such premises is transferred, the person whose title is transferred and the person to whom the same shall be transferred shall, within three months after the execution of the instrument of transfer or after its registration if it be registered or after the transfer is effected, if no instrument be executed, give notice of such transfer to the commissioner.

(2) In the event of the death of any person primarily liable as aforesaid, the person to whom the title of the deceased shall be transferred as heir or otherwise shall give notice of such transfer to the commissioner within one year from the death of the deceased.

(3) The notice to be given under this section shall be in such form as the commissioner may direct and the transferee or the person to whom the title passes, as the case may be, shall, if so required, be bound to produce before the commissioner any documents evidencing the transfer or succession.

(4) Every person who makes a transfer as aforesaid without giving such notice to the commissioner shall in addition

to any other liability which he may incur through such neglect continue liable for the payment of the property tax assessed on the premises transferred until he gives notice or until the transfer shall have been recorded in the municipal registers, but nothing in this section shall be held to affect —

(*a*) the liability of the transferee for the payment of the said tax, or

(*b*) the prior claim for the corporation under section 104.

Owner's obligation to give notice of construction or re-construction or demolition of building.

108. (1) (*a*) If any building in the city is constructed or reconstructed, the owner shall give notice thereof to the commissioner within fifteen days from the date of completion or occupation of the building, whichever is earlier.

(*b*) If such date falls within the last two months of a half-year, the owner shall, subject to notice being given under clause (*a*), be entitled to a remission of the whole of the tax or enhanced tax, as the case may be, payable in respect of the building only, for that half-year.

(*c*) If such date falls within the first four months of a half-year, the owner shall, subject to notice being given under clause (*a*), be entitled to a remission of so much, not exceeding a half of the tax or enhanced tax, as the case may be, payable in respect of the building only, for that half-year as is proportionate to the number of days in that half-year preceding such date.

(2) (*a*) If any building in the city is demolished or destroyed, the owner shall, until notice thereof is given to the commissioner, be liable for the payment of the property tax for which he would have been liable had the building not been demolished or destroyed.

(*b*) If such notice is given within the first two months of a half-year, the owner shall be entitled to a remission of the whole of the tax payable in respect of the building only, for that half-year.

(*c*) If such notice is given within the last four months of a half-year, the owner shall be entitled to a remission of so much, not exceeding a half, of the tax payable in the respect of the building only, for that half-year as is proportionate to the number of days in that half-year succeeding the demolition or destruction as the case may be.

Remission of tax in areas included or excluded in the middle of half-year.

109. (1) If any area is included in the city, the owner of every building or land in such area shall —

(*a*) if the date of such inclusion falls within the last two months of a half-year, not be liable to pay any property tax in respect thereof for that half-year; and

(*b*) if such date falls within the first four months of a half-year, be entitled to a remission of so much, not exceeding a half, of the property tax payable in respect thereof for that half-year, as is proportionate to the number of days in that half-year preceding such date.

(2) If any area is excluded from the city, the owner of every building or land in such area shall be entitled—

(*a*) if the date of such exclusion falls within the first two months of a half-year, to a remission of the whole of the property tax payable in respect thereof for that half-year; and

(*b*) if such date falls within the last four months of a half-year, to a remission of so much, not exceeding a half, of the property tax payable in respect thereof for that half-year as is proportionate to the number of days in that half-year succeeding such date.

(3) No remission shall be granted under sub-section (2) in respect of any building or land unless an application for such remission is made to the commissioner within three months from the date of the exclusion of the area in which the building or land is situated.

Power of commissioner to condone omission to give notice

110. The commissioner may, at his discretion, condone omissions to give notice under sections 106, 107, 108 or 109 giving his reasons in writing for every such condonation.

Commissioner's power to call for information and to enter upon premises.

111. (1) For the purpose of assessing the property tax, the commissioner may, by notice, call on the owner or occupier of any building or land to furnish him within thirty days after the service of the notice where the notice is served upon the Government, a railway administration or a company and within fourteen days after such service in other cases, with returns of the rent payable for the building or land, the cost of erecting the building, and the measurements of the land with such and other information as the commissioner may require and every owner or occupier upon whom any such notice is served shall be bound to comply with it and to make a true return to the best of his knowledge or belief.

(2) For the purpose aforesaid the commissioner may, enter, inspect, survey and measure any building or land, after giving twenty-four hours' notice to the owner or occupier.

Profession Tax.

Tax on professions, arts, callings, business and appointments.

112. (1) If the corporation by a resolution determines that a profession tax shall be levied, every person, after the date specified in the notice published under sub-section (2) of section 99 in any half-year—

(*a*) exercises a profession, art or calling or transacts business or holds any appointment, public or private—

(i) within the city for not less than sixty days in the aggregate, or

(ii) outside the city but who resides in the city for not less than sixty days in the aggregate; or

(*b*) resides in the city for not less than sixty days in the aggregate and is in receipt of any pension or income from investments, shall pay, in addition to any license fee that may be

leviable under this Act, a half-yearly tax, assessed in accordance with the rules in Schedule III, but in no case exceeding rupees five hundred.

Explanation 1.—A person shall be deemed to have exercised a profession, art or calling or held an appointment within the city, if the person has an office or place of employment within the city.

Explanation 2.—A touring officer whose headquarters is within the city shall be liable for the payment of profession tax even though he has not stayed at headquarters for the period specified in this sub-section provided that his connection with the appointment has subsisted for such period.

Explanation 3.—Any amount received by a person in commutation of his pension, or any portion of his pension, shall not be deemed to be a pension within the meaning of this sub-section.

(2) A person shall be chargeable under the class appropriate to his aggregate income from all the sources specified in sub-section (1) as being liable to the tax.

(3) Nothing contained in this section shall be deemed to render a person who resides within the local limits of any local authority and exercises his profession, art or calling or transacts business or holds any appointment within the limits of any other local authority or authorities, liable to profession tax for more than the higher of the amounts of the tax leviable by any of the local authorities. In such a case the Government shall apportion the tax between the local authorities in such manner as they may deem fit and the decision of the Government shall be final.

Liability of member of firm or undivided family for profession tax.

113. The profession tax leviable from a firm, association or joint Hindu family may be levied from any adult member of that firm, association or family.

Payment when due and notice to pay.

114. (1) The expression "transacts business" in section 112 shall be deemed to include the doing of acts of business of whatever nature, whether isolated or not, such as soliciting, obtaining or transmitting orders, or buying, making, manufacturing, exporting, importing, receiving, transmitting or otherwise dealing with goods.

(2) Where for the purpose of transacting business within the city a person has an office or has an agent or firm to represent him, such person shall be deemed to transact business within the city, whether or not such office, agent or firm has power to make binding contracts on behalf of such person in charge of such office or the agent or firm, as the case may be, shall be liable for the tax payable by such person.

(3) A person otherwise liable to profession tax under section 112 shall not cease to be liable to such tax by reason only of his head office or the place from which his business is controlled

being situated outside the city or by reason only of the fact that his transactions are closed outside the city.

(4) If a person proves that he has paid the sum due on account of the profession tax levied under this Act or under the Mysore City Municipalities Act, 1933, or under the Mysore Town Municipalities Act, 1933, for the same half-year, to the corporation of Bangalore or any other municipal council in Mysore such person shall not be liable, by reason merely of change of place of business, exercise of profession, art or calling, appointment or residence, to pay to the corporation of Bangalore or any municipal council more than the difference between such sum and the amount to which he is otherwise liable for the profession tax for the half-year under this Act or any of the aforesaid Acts.

(5) If the profession tax due from any person in respect of any half-year is not paid, the commissioner shall cause a notice to be served on such person to pay such tax within fifteen days of the date of such service.

Statements, returns, etc., to be confidential.

115. All statements made, returns furnished or accounts or documents produced in connection with the assessment of profession tax by any person shall be treated as confidential and copies thereof shall not be granted to the public.

Requisition on owner or occupier to furnish list of persons liable to tax.

116. The commissioner may, by notice require the owner or occupier of any building or land and every secretary or manager of a hotel, boarding or lodging house, club, or residential chambers to furnish within specified time a list in writing containing the names of all persons occupying such building, land, hotel, boarding or lodging house, club or residential chambers and specifying the profession, art, trade or calling or appointment of every such person and the rent, if any, paid by him and the period of such occupation.

Requisitions on employers or their representatives to furnish list of persons liable to tax.

117. The commissioner may by notice require any employer or the head or secretary or manager of any public or private office, hotel, boarding house or club, or of a firm or company—

(*a*) to furnish within a specified time a list in writing of the names of all persons employed by such employer or by such office, hotel, boarding house or club, firm or company as officers, servants, agents, suppliers or contractors with a statement of the salary or income of each of such employed persons; and

(*b*) to furnish particulars in regard to any company of which such employer, head, secretary or manager, as the case may be, is the agent.

Tax on Carriages and Animals.

General provisions regarding tax on carriages and animals.

118. (1) If the corporation by a resolution determines that a tax on carriages and animals shall be levied, the commissioner shall levy the said tax half-yearly on carriages and animals kept within the city which are of the kinds specified in Part IV of Schedule III.

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(2) The rates of the tax shall be determined by the corporation, provided always that they shall not exceed the maxima laid down in Part IV of Schedule III.

Liability to tax according to period for which carriage or animal has been kept.

119. (1) Every person having possession, custody or control of any taxable carriage or animal shall be liable for the full half-yearly tax if the carriage or animal has been kept within the city for an aggregate period of not less than sixty days in the half-year.

(2) If such aggregate period exceeds fifteen days but is less than sixty days, a moiety only of the half-yearly tax shall be leviable.

(3) If such aggregate period does not exceed fifteen days, no tax shall be leviable for the half-year.

(4) Every person having possession, custody or control of any taxable carriage or animal within the city shall, until the contrary is shown, be presumed to have kept the same within the city for sixty days in the half-year.

(5) Notwithstanding anything contained in sub-section (1), no person shall be liable to taxation during any half-year on account of any carriage or animal in respect of which the full tax for the same half-year has already been paid by some other person.

Exemptions.

120. The carriage and animal tax shall not be levied on—

(*a*) carriages and animals belonging to the Government or the Government of India;

(*b*) carriages and animals belonging to members of the city police or officers or servants of the corporation employed on out-door duties, provided that the exemption under this clause shall extend only to a carriage or animal required to be kept by any such member, officer or servant for the discharge of his official duties;

(*c*) carriages and animals kept solely for sale by carriage-makers and dealers;

(*d*) carriages which have been under repair or standing at a carriage-maker's during the whole of the half-year;

(*e*) animals which during the whole of the half-year have been kept in any institution for the reception of infirm or diseased animals or which are certified by a veterinary surgeon to have been unfit for use during the whole of the half-year.

Composition.

121. With the sanction of the standing committee or in accordance with regulations framed by that body, the commissioner may compound, for any period not exceeding one year, with any livery stable-keeper or other person keeping carriages and animals for sale or hire, for a certain sum to be paid in lieu of the carriage and animal tax.

Requisition on occupier to furnish statement of persons liable to tax.

122. (1) The commissioner may by notice require the occupier of any premises to furnish him with a statement—

(*a*) showing the name and address of every person who has possession, custody or control of any carriage or animal

which is kept in such premises and is liable to the carriage and animal tax;

(*b*) containing a description of every such carriage or animal.

(2) The occupier shall sign the statement and transmit it to the municipal office within one week from the date of his receipt of the notice.

Forms to be sent to and returned by tax payers.

122-A. (1) The commissioner shall send to every person supposed to have become liable to the payment of the tax on carriages and animals a printed table to be filled up with such information respecting the carriages and animals kept by him as the commissioner considers necessary for the assessment of the tax.

(2) Such table shall be filled up with such information in writing, signed and dated and returned within one week of its receipt to the municipal office by the person to whom it has been sent.

(3) On the expiry of the period of one week referred to in sub-section (2) the commissioner shall cause a notice to be served on such person requiring him to pay within fifteen days of the date of such service the sum for which in the opinion of the commissioner such person is liable on account of the tax on carriages and animals.

Grant of licence on payment of tax.

123. When any person pays the amount of tax due in respect of any carriage or animal, the commissioner shall grant him a license to keep such carriage or animal for the period to which the payment relates.

Power to require number to be affixed to bicycles, etc.

124. (1) The commissioner may direct that a municipal number shall be affixed—

(*a*) to every carriage let out for hire within the city, and

(*b*) to every bicycle and tricycle kept within the city.

(2) The numbers affixed under sub-section (1) shall be registered in the municipal office.

Tax on Carts.

General provisions regarding cart-tax.

125. (1) If the corporation by a resolution determines that a tax shall be levied on carts, the commissioner shall levy the said tax half-yearly at the rate or rates which shall not exceed eight rupees per cart per half-year fixed by the corporation and from the date specified in the notice published under section 99 on all classes of carts kept within the city:

Provided that no person shall be liable to tax during any half-year on account of any cart in respect of which the tax for the same half-year has already been paid by some other person;

Provided further that in the case of single bullock carts the tax shall not exceed four rupees half-yearly;

Provided further that in fixing the said rates, the corporation shall have regard to the extent of damage caused by different classes of carts to the road.

(2) Every owner of any such cart shall register it once in every half-year in the municipal office.

(3) The commissioner may direct that a municipal number shall be affixed to every registered cart.

(4) The commissioner shall notify certain days in every half-year for the registration and numbering of carts and the payment of the tax.

(5) All registrations made and numbers affixed under this section shall be entered in a book to be kept for the purpose at the municipal office.

(6) Such book shall be open to the inspection of any tax-payer at all reasonable times without charge.

Exemptions.

126. Nothing in section 125 shall apply to—

(*a*) gun carriages, ordnance carts or wagons or other such property of the Government or the Government of India and—

(*b*) carts kept solely for sale by cart-makers and dealers.

Power to remit tax on cart kept for less than fifteen days or not used.

127. The commissioner may remit the whole or a portion of the cart-tax in respect of any cart which is shown to his satisfaction to have been kept within the city for an aggregate period not exceeding fifteen days in the half-year or to have been under repair or standing at a cart-maker's during the whole of the half-year.

Power to seize carriages and carts not bearing numbers.

Seizure of vehicles not bearing numbers.

128. If a municipal number is not affixed to a carriage or cart in pursuance of a direction issued under section 124 or section 125, as the case may be, the commissioner may at any time seize and detain the vehicle and the animal, if any, by which it is drawn:

Provided that no vehicle other than a bicycle, tricycle or rickshaw shall be seized or detained when actually employed in the conveyance of any passenger or goods.

Procedure after seizure.

129. (1) If a vehicle or animal is detained under section 128 and the owner or other person entitled thereto does not claim the same and pay the tax, if any, due thereon within ten days from the date of seizure, the commissioner may direct that the vehicle or animal shall be sold in public auction and the proceeds of the sale applied to the payment of —

(i) the tax, if any, due on the vehicle or animal sold;

(ii) such penalty not exceeding the amount of the tax as the commissioner may direct; and

(iii) the charge incurred in connection with the seizure, detention and sale.

(2) If there is a surplus after such payment, the commissioner shall, on demand made within six months from the date of sale, make it over to the owner or other person entitled thereto. If no such demand is made, such surplus shall be forfeited to the corporation.

(3) If the owner of the vehicle or animal or other person entitled thereto claims the same within ten days from the date of seizure or at any time before the sale, it shall be returned to him on payment of—

(i) the tax due thereon;

(ii) such penalty not exceeding the amount of the tax as the commissioner may direct; and

(iii) the charges incurred in connection with the seizure and detention.

Tax on Timber.

130. If the corporation by resolution determines that a tax shall be levied on timber brought into the city, such tax shall be levied at such rates not exceeding five rupees per ton, in such manner as may be determined by the corporation: Tax on timber.

Provided that no tax shall be levied on any timber brought into the city in the course of transit to any place outside the city and directly removed out of the city by rail or road.

(2) No timber shall, except in the case referred to in the proviso to sub-section (1), be brought into the city unless the tax due thereon has been paid.

(3) The tax shall be levied on timber kept within the city for sale if the commissioner has reason to believe that the tax, if any, due thereon has not been paid:

Provided that the tax shall not be levied if the person keeping the timber for sale produces satisfactory proof of the previous payment of the tax thereon.

(4) The commissioner may call for the accounts of any person keeping timber for sale for the purpose of levying the tax under sub-section (3).

(5) If the commissioner is satisfied that any person has wilfully evaded the payment of any tax leviable under this section, the commissioner may direct that such person shall, in addition to such tax, pay by way of penalty a sum not exceeding the amount of such tax. Such penalty shall be recoverable in the same manner as the tax.

(6) The corporation may make bye-laws for the seizure and sale of timber in respect of which the tax due is not paid and otherwise for carrying out all or any of the provisions relating to the levy of tax on timber.

Tax on Advertisements.

131. Every person who erects, exhibits, fixes or retains upon or over any land, building, wall, hoarding or structure any Tax on advertisements.

advertisement or who displays any advertisement to public view in any manner whatsoever, in any place whether public or private, shall pay on every advertisement which is so erected, exhibited, fixed, retained or displayed to public view, a tax calculated at such rates and in such manner and subject to such exemptions, as the corporation may, with the approval of the Government, by resolution determine :

Provided always that the rates shall be subject to the maxima and minima laid down by the Government in this behalf :

Provided also that no tax shall be levied under this section on any advertisement or a notice—

(*a*) of a public meeting, or

(*b*) of an election to any legislative body or the corporation of Bangalore, or

(*c*) of a candidature in respect of such an election :

Provided further that no such tax shall be levied on any advertisement which is not sky-sign and which—

(*a*) is exhibited within the window of any building ; or

(*b*) relates to the trade or business carried on within the land or building upon or over which such advertisement is exhibited, or to any sale or letting of such land or building or any effects therein or to any sale, entertainment or meeting to be held upon or in the same ; or

(*c*) relates to the name of the land or building, upon or over which the advertisement is exhibited, or to the name of the owner or occupier of such land or building ; or

(*d*) relates to the business of any railway ; or

(*e*) is exhibited within any railway station or upon any wall or other property of a railway except any portion of the surface of such wall or property fronting any street.

Explanation 1.—The word 'structure' in this section shall include any movable board on wheels used as an advertisement or an advertisement medium.

Explanation 2.—The expression 'sky-sign' shall, in this section, mean any advertisement, supported on or attached to any post, pole, standard, framework or other support wholly or in part upon or over any land, building, wall or structure which, or any part of which sky-sign shall be visible against the sky from some point in any public place and includes all and every part of any such post, pole, standard, frame-work or other support. The expression 'sky-sign' shall also include any balloon, parachute or other similar device employed wholly or in part of the purpose of any advertisement upon or over any land, building or structure or upon or over any public place but shall not include—

(*a*) any flag-staff, pole, van or weather-cock, unless adapted or used wholly or in part for the purpose of any advertisement ; or

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(*b*) any sign, or any board, frame or other contrivance securely fixed to or on the top of the wall or parapet of any building, or on the cornice or blocking course of any wall, or to the ridge of a roof :

Provided that such board, frame or other contrivance be of one continuous face and not openwork, and do not extend in height more than three feet above any part of the wall, or parapet or ridge to, or against, or on which it is fixed or supported or

(*c*) any advertisement relating to the name of the land or building, upon or over which the advertisement is exhibited, or to the name of the owner or occupier of such land or building ; or

(*d*) any advertisement relating exclusively to the business of a railway, and placed wholly upon or over any railway, railway station, yard, platform or station approach belonging to a railway, and so placed that it cannot fall into any street or public place ; or

(*e*) any notice of land or buildings to be sold, or let, placed upon such land or buildings.

Explanation 3.—'Public place' shall, for the purpose of this section, mean any place which is open to the use and enjoyment of the public, whether it is actually used or enjoyed by the public or not.

Prohibition of advertisements without written permission of commissioner.

132. No advertisement shall, after the levy of the tax under section 131 has been determined upon by the corporation, be erected, exhibited, fixed or retained upon or over any land, building, wall, hoarding or structure within the city or shall be displayed in any manner whatsoever in any place without the written permission of the commissioner.

(2) The commissioner shall not grant such permission if—

(i) the advertisement contravenes any bye-law made by the corporation under clause (31) of section 396 ; or

(ii) the tax, if any, due in respect of the advertisement has not been paid.

(3) Subject to the provisions of sub-section (2), in the case of an advertisement liable to the advertisement tax, the commissioner shall grant permission for the period to which the payment of the tax relates and no fee shall be charged in respect of such permission :

Provided that the provisions of this section shall not apply to any advertisement erected, exhibited, fixed or retained on the premises of a railway company relating to the business of a railway company.

Permission of the commissioner to become void in certain cases.

133. The permission granted under section 132 shall become void in the following cases, namely :—

(*a*) if the advertisement contravenes any bye-law made by the corporation under clause (31) of section 396.

(*b*) if any addition to the advertisement be made except for the purpose of making it secure under the direction of the Corporation Engineer;

(*c*) if any material change be made in the advertisement or any part thereof;

(*d*) if the advertisement or any part thereof falls otherwise than through accident;

(*e*) if any addition or alteration be made to, or in the building, wall or structure upon or over which the advertisement is erected, exhibited, fixed or retained if such addition or alteration involves the disturbance of the advertisement or any part thereof; and

(*f*) if the building, wall or structure upon or over which the advertisement is erected, exhibited, fixed or retained be demolished or destroyed.

Owner or person in occupation to be deemed responsible.

134. Where any advertisement shall be erected, exhibited, fixed or retained upon or over any land, building, wall, hoarding or structure in contravention of the provisions of section 131 or section 132 or after the written permission for the erection, exhibition, fixation or retention thereof for any period shall have expired or become void, the owner or person in occupation of such land, building, wall, hoarding or structure shall be deemed to be the person who has erected, exhibited, fixed or retained such advertisement in such contravention unless he proves that such contravention was committed by a person not in his employment or under his control or was committed without his connivance.

Removal of unauthorised advertisements.

135. If any advertisement be erected, exhibited, fixed or retained contrary to the provisions of section 131 or section 132 or after the written permission for the erection, exhibition, fixation or retention thereof for any period shall have expired or become void, the commissioner may, by notice in writing, require the owner or occupier of the land, building, wall, hoarding or structure upon or over which the same is erected, exhibited, fixed or retained to take down or remove such advertisement or may enter any building, land or property and have the advertisement removed.

Collection of tax on advertisements.

135-A. The commissioner may farm out the collection of any tax on advertisements leviable under section 131 for any period not exceeding one year at a time on such terms and conditions as may be provided for by bye-laws made under section 396.

Duty on Transfers of Property.

Method of assessment of duty on transfers of property.

136. The duty on transfers of property shall be levied in in the form of a surcharge on the duty imposed by the Mysore Stamp Act, 1900, on instruments of sale, gift and mortgage with possession of immoveable property situated within the limits of the City which may be executed

after the commencement of this Act at a rate not exceeding two per cent, on, as the case may be, the amount of the consideration, the value of the property, or the amount secured by the mortgage, as set forth in the instrument.

Provisions applicable on the introduction of transfer duty.

137. On the introduction of the transfer duty—

(*a*) Section 27 of the Mysore Stamp Act, 1900, shall be read as if it specifically required the particulars to be set forth separately in respect of property situated within and without the city.

(*a*) Section 64 of the same Act shall be read as if it referred to the corporation as well as the Government.

Power to make rules regarding assessment and collection of transfer duty.

138. The Government may make rules not inconsistent with this Act for regulating the collection of the duty, the payment thereof to the corporation and the deduction of any expenses incurred by the Government in the collection thereof.

General Provisions.

Power to exempt from transfer duty.

139. With the sanction of the Government, the corporation may exempt any person or class of persons wholly or in part from the payment of any tax. But nothing in this section shall be deemed to authorize the exemption of any person solely on the grounds that he is a councillor or an alderman.

Power to assess in case of escape from assessment.

140. Notwithstanding anything to the contrary contained in this Act or the rules made thereunder, if for any reason any person liable to pay any of the taxes or fees leviable under this chapter has escaped assessment in any half-year or year, the commissioner may, at any time within three years from the date on which such person should have been assessed, serve on such person a notice assessing him to the tax or fee due and demanding payment thereof within fifteen days from the date of such service; and the provisions of this Act and the rules made thereunder shall so far as may be apply as if the assessment was made in the half-year or year to which the tax or fee relates.

Rules in Schedule III.

141. The rules and tables embodied in Schedule III shall be read as part of this Chapter.

CHAPTER VI.

FINANCE.

The Municipal Fund.

Definition of Municipal fund.

142. All moneys received by the corporation shall constitute a fund which shall be called the municipal fund and shall be applied and disposed of in accordance with the provisions of this Act or other laws, for the time being in force.

Audit of accounts.

143. The Government shall appoint auditors of the accounts of receipt and expenditure of the municipal fund. Such auditors shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code as in force in Mysore.

Financial rules.

144. With regard to the deposit, investment and expenditure of the municipal fund and the audit of the municipal accounts the rules in Schedule IV shall be observed.

Contributions to expenditure by other local authorities.

145. (1) If the expenditure incurred by the Government or by any local authority in Mysore for any purpose authorised by or under Schedule IV is such as to benefit the inhabitants of the city, the corporation may make a contribution towards such expenditure.

(2) The Government may direct the corporation to show cause, within a period fixed by the Government in this behalf and not being less than one month after receipt of the order containing the direction why any contribution described in sub-section (1) should not be made.

(3) If the corporation fails to show cause within the said period to the satisfaction of the Government, the Government may direct it to make such contribution as they shall name and it shall be paid accordingly.

LOANS.

Power to corporation to borrow money.

146. (1) The corporation may, in pursuance of any resolution passed at a special meeting, borrow by way of debenture or otherwise on the security of all or any of the taxes, duties, fees and dues authorized by or under this Act, any sums of money which may be required—

(*a*) for the construction of works,

(*b*) for the acquisition of lands and buildings, or

(*c*) for slum clearance and construction of tenements,

(*d*) to pay off any debt due to the Government, or

(*e*) to repay a loan previously raised under this Act or other Act or law previously in force :

Provided that—

(i) no loan shall be raised without the previous sanction of the Government, and

(ii) the amount of the loan, the rate of interest and the terms including the date of flotation, the time and method of repayment and the like shall be subject to the approval of the Government.

(2) When any sum of money has been borrowed under sub-section (1)—

(*a*) no portion thereof shall without the previous sanction of the Government be applied to any purpose, other than that for which it was borrowed, and

(*b*) no portion of any sum of money borrowed under clause (*a*) or clause (*c*) of sub-section (1) shall be applied to the payment of salaries or allowances to any municipal officers or

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servants other than those exclusively employed upon the works for the construction of which the money was borrowed.

Time for re-payment of money borrowed under Section 146.

147. The time for the repayment of any money borrowed under section 146 shall in no case exceed sixty years, and the time for the repayment of any money borrowed for the purpose of discharging any previous loan shall not, except with the express sanction of the Government, extend beyond the unexpired portion of the period for which such previous loan was sanctioned.

Limit of borrowing powers.

148. Notwithstanding anything hereinbefore contained, the borrowing powers of the corporation shall be limited so that the sum payable annually for interest and for the maintenance of the sinking funds as hereinafter provided, and for interest and repayment of any sums borrowed otherwise shall not, except with the express sanction of the Government, exceed twelve and a half per cent of the annual value of buildings and lands as determined under Chapter V.

Form and effect of debentures.

149. All debentures issued under this chapter shall be in such form as the corporation, with the previous sanction of the Government, may determine, and shall be transferable in such manner as shall be therein expressed; and the right to sue in respect of the moneys secured by any of such debentures shall vest in the holders thereof for the time being without any preference by reason of some such debentures being prior in date to others.

Payment to survivors of joint payees.

150. When any debenture or security issued under this Act is payable to two or more persons jointly, and either or any of them dies, then, notwithstanding anything in section 45 of the Indian Contract Act, 1872, as in force in Mysore, the debenture or security shall be payable to the survivor or survivors of such persons:

Provided that nothing in this section shall affect any claim by the representative of a deceased person against such survivor or survivors.

Receipt by joint holder for interest or dividend.

151. When two or more persons are joint holders of any debenture or security issued under this Act, any one of such persons may give an effectual receipt for any interest or dividend payable in respect of such debenture or security, unless notice to the contrary has been given to the corporation by any other of such persons.

Maintenance and investment of sinking funds.

152. (1) The corporation shall maintain sinking funds for the repayment of money borrowed on debentures issued and shall pay by quarterly instalments into such sinking funds such sum as will be sufficient for the repayment within the period fixed for the loan of all moneys borrowed on debentures issued.

(2) All money paid into the sinking funds shall, as soon as possible, be invested by the commissioner in—

(*a*) securities of the Government or the Government of India, or

(*b*) securities guaranteed by the Government and shall be invested in the joint names of the (Secretary to the Government, Finance Department and the Comptroller to the Govern ment), to be held by them as trustees for the purpose of repaying at due date the debentures issued by the corporation. Every such investment shall be reported by the commissioner to the corporation within fifteen days.

(3) All dividends and other sums received in respect of any such investment shall, as soon as possible after receipt, be paid into the sinking funds and invested in the manner laid down in sub-section (2).

(4) When any part of a sinking fund is invested in municipal debentures, or is applied in paying off any part of a loan before the period fixed for repayment, the interest which would otherwise have been payable on such debentures or on such part of the loan shall be paid into the sinking fund and invested in the manner laid down in sub-section (2).

(5) Any investment made under this section may, subject to the provisions of sub-section (2), be varied or transposed.

Application of sinking fund.

153. The aforesaid trustees may apply a sinking fund or any part thereof, in or towards the discharge of the loan or part of a loan for which such fund was created, and until such loan or part is wholly discharged shall not apply the same for any other purpose ;

Provided that when any loan or parts thereof have been consolidated under section 155, the trustees shall transfer to the sinking fund of the consolidated loan so created such part of the sinking funds of the original loans as may be proportionate to the amount of the original loans incorporated in the consolidated loan.

Annual statement by trustees.

154. (1) The aforesaid trustees shall, at the end of every year, submit to the corporation a statement showing—

(*a*) the amount which has been invested during the year under section 152 ;

(*b*) the date of the last investment made previous to the submission of the statement ;

(*c*) the aggregate amount of the securities then in their hands ; and

(*d*) the aggregate amount which has up to the date of the statement been applied under section 153 in or towards discharging loans.

(2) Every such statement shall be laid before the corporation and published.

Power of corporation to consolidate loans.

155. (1) Notwithstanding anything to the contrary contained in this chapter, the corporation may consolidate all or any of their loans and for that purpose may invite tenders for a new loan (to be called the " Municipal Consolidated Loan, 19 ") and invite the holders of municipal debentures to exchange their debentures for scrip of such loan.

(2) The terms of any such consolidated loan and the form of its scrip and the rates at which exchange into such consolidated loan shall be permitted, shall be subject to the prior approval of the Government.

(3) The period for the extinction of any such consolidated loan shall not, without any sanction of the Government, extend beyond the farthest date within which any of the loans to be consolidated would be otherwise repayable.

(4) The corporation shall provide for the repayment of any such consolidated loan by a sinking fund in the manner laid down in section 152 having regard to the amount transferred to such sinking fund under section 153.

Priority of payments or interest and repayment of loans over other payment.

156. All payments due from the corporation for interest on and repayment of loans shall be made in priority to all other payments due from the corporation.

Attachment of Municipal Fund for recovery of money borrowed from Government.

157. (1) If any money borrowed by the corporation from the Government, whether before or after the commencement of this Act, or any interest or costs due in respect thereof, be not repaid according to the conditions of the loan, the Government may attach the municipal fund or any part thereof.

(2) After such attachment, no person except an officer appointed in this behalf by the Government shall in any way deal with the attached fund; but such officer may do all acts in respect thereof which any municipal authority, officer or servant might have done if such attachment had not taken place, and may apply the proceeds in satisfaction of the arrears and of all interest and costs due in respect thereof and of all expenses caused by the attachment and subsequent proceedings:

Provided that no such attachment shall defeat or prejudice any debt for which the fund attached was previously charged in accordance with law; but all such prior charges shall be paid out of the proceeds of the fund before any part of the proceeds is applied to the satisfaction of the debt due to the Government.

Budget.

Estimates of expenditure and income to be prepare annually by the commissioner.

158. The commissioner shall, on or before the fifteenth day of April each year, prepare and submit to the Standing Committee a budget containing a detailed estimate of income and expenditure for the ensuing year, and, if it is in his opinion necessary or expedient to vary taxation or to raise loans shall submit his proposals in regard thereto.

Budget estimate to l prepared by the Standin Committee Taxation an Finance.

159. (1) The Standing Committee on Taxation and Finance shall on or as soon as may be after the fifteenth day of April consider the estimates and proposals of the commissioner and after having obtained the proposals, if any of other standing committees, and such further detailed information, if any, as it shall think fit to require from the commissioner and having

regard to all the requirements of this Act, shall frame therefrom subject to such modifications and additions therein or thereto as it shall think fit, a budget estimate of the income and expenditure of the corporation for the next year.

(2) In such budget estimate, the Standing Committee shall—

(*a*) provide for the payment, as they fall due of all instalments of principal interest and for which the corporation may be liable on account of loans;

(*b*) allow for a cash balance at the end of the year of not less than one lakh and fifty thousand rupees under General Account—Revenue.

(3) The commissioner shall cause the budget estimate, as finally approved by the Standing Committee, to be printed and shall, not later than the fifteenth day of May, forward a printed copy thereof to each councillor.

Consideration of budget estimate by the corporation.

160. At a meeting of the corporation which shall be called for some day in the first week of June, the budget estimate prepared by the standing committee shall be laid before the corporation.

Procedure of Corporation.

161. The corporation may refer the budget estimate back to the standing committee for further consideration and resubmission within a specified time, or adopt the budget estimate or any revised budget estimate submitted to it, either as it stands, or subject to such alteration as it deems expedient: provided that the budget estimate finally adopted by the corporation shall make adequate and suitable provision for each of the matters referred to in clauses (*a*) and (*b*) of section 159, sub-section (2).

Obligation to pass budget before the beginning of the year.

162. The corporation shall finally pass the budget estimate before the beginning of the year to which it relates and forthwith submit a copy thereof to the Government.

Corporation may pass supplemental budget.

163. The corporation may, on the recommendation of the standing committee, from time to time, during any year pass a supplemental budget estimate for the purpose of meeting any special or unforeseen requirements arising during that year, but not so that the estimated cash balance under General Account—Revenue at the close of the year shall be reduced below one lakh and fifty thousand rupees.

eduction or ansfer of dget nts.

164. (1) The standing committee may, if it thinks necessary, at any time during the year—

(*a*) reduce the amount of a budget grant; or

(*b*) transfer and add the amount, or a portion of the amount, of one budget grant to the amount of any other budget grant:

Provided that—

(i) due regard shall be had, when making any such reduction or transfer, to all the requirements of this Act;

(ii) the aggregate sum of the budget grants contained in the budget estimate adopted by the corporation shall not be increased except by the corporation under section 163;

(iii) every such reduction or transfer shall be brought to the notice of the corporation at its next meeting.

(2) If any such reduction or transfer is of an amount exceeding Rs. 500, the corporation may pass with regard thereto such order as it thinks fit, and it shall be incumbent on the standing committee and the commissioner to give effect to the said order.

Re-adjustment of income and expenditure to be made by the Corporation during the course of the official year whenever necessary.

165. (1) If it shall at any time during any year appear to the corporation, upon the representation of the standing committee, that, nothwithstanding any reduction of budget grants that may have been made under section 164, the income of the municipal fund during the said year will not suffice to meet the expenditure sanctioned in the budget estimate of the said year and to leave at the close of the year a cash balance of not less than one lakh and fifty thousand rupees under General Account—Revenue, it shall be incumbent on the corporation either to diminish the sanctioned expenditure of the year, so far as it may be possible so to do with due regard to all the requirements of this Act, or to have recourse to supplementary taxation, or to adopt both of these expedients in such measure as may be necessary to secure an estimated cash balance of not less than one lakh and fifty thousand rupees under General Account—Revenue at the close of the year.

(2) Whenever the corporation determines to have recourse to supplementary taxation in any year, it shall do so by increasing for the unexpired portion of the year the rate at which any tax or duty is being levied, subject to the conditions limitations and restrictions laid down in Chapter V.